

23 May 1966

OFFICE OF FINANCE INSTRUCTION NO. 112, REVISED

SUBJECT : General - Financial Property Accounting

Specific - Financial Property Accounting Procedures Covering  
Activities for Which Accountability is Controlled  
by Headquarters

RESCISSION: Office of Finance Instruction No. 112, dated 18 May 1965

(Asterisks denote new or revised paragraphs)

1. PURPOSE

\*The purpose of this Instruction is to establish a procedure for the financial control and costing of Agency inventories of property placed in use by installations designated as small stations (Type III), and headquarters controlled property-in-use accounts for which accountability is maintained at headquarters. These Type III installations and accounts are hereinafter referred to as memorandum receipt (MR) accounts.

2. PROCEDURES

\*a. Property transactions relating to such MR accounts will be processed by transaction analysis codes and general ledger accounts described in the Attachment. The transaction analysis codes will be assigned by the Office of Logistics and entries to the affected general ledger accounts will be made by the Accounts Division, Office of Finance.

\*b. Nonexpendable Materiel:

- \*(1) The monetary value of nonexpendable materiel placed in use at such MR accounts will be recorded by headquarters in general ledger account 171, Property In Use - Headquarters, with subsidiary records within account 171 maintained by a "property-in-use" account code number.
- \*(2) Issues from headquarters of nonexpendable materiel to such MR accounts will be charged to cost account 602.3, Indirect Costs - Property Placed In Use, at time of acquisition, issue or transfer.
- \*(3) Procurement of nonexpendable materiel by such MR accounts will likewise be costed to account 602.3 based upon acquisition transactions reflected in financial accountings submitted to headquarters.

GROUP I Excluded from automatic downgrading and declassification
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- \*(4) In each instance of charge to account 602.3 the applicable FAN Number to be charged with such costs will be identified.


\*c. Expendable Materiel:

- \*(1) Issues from headquarters of expendable materiel to such MR accounts will be charged to cost account 602.2, Indirect Costs - Property Issues, at the time of issue or transfer.
- \*(2) Procurement of expendable materiel by such MR accounts will be charged on headquarters records to cost account 602.2, Indirect Costs - Property Issues, at the time of acquisition based upon acquisition transactions reflected in financial accountings submitted to headquarters.
- \*(3) In each instance of charge to account 602.2, the applicable FAN Number to be charged with such costs will be identified.

3. RESPONSIBILITY

The Office of Logistics will assume the responsibility for investigating and clearing all unmatched entries in accounts 170.9 and 175.1.


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R. H. FUCHS  
Director of Finance

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Attachment

CONCUR:

  
Director of Logistics

  
Date

ATTACHMENT TO  
OFI 112, REVISED

RECORDING OF PROPERTY TRANSACTIONS  
RELATING TO ACTIVITIES FOR WHICH PROPERTY  
ACCOUNTABILITY IS CONTROLLED BY HEADQUARTERS LOGISTICS

1. Nonexpendable Materiel Transactions

- a. Issues of nonexpendable materiel from headquarters regular stock with charge to cost:

Transaction Analysis Codes 5C or 6K - (Action Form 88)

Debit: Account 171 - Property In Use - Headquarters  
Credit: Account 170 - Stores - Supplies and Equipment

Debit: Account 602.3 - Indirect Costs - Property Placed In Use  
Credit: Account 371 - Reserve for Property In Use -  
Headquarters

- b. Issues of nonexpendable materiel from headquarters regular stock without charge to cost:

Transaction Analysis Code 6C - (Action Form 88)

Debit: Account 171 - Property In Use - Headquarters  
Credit: Account 170 - Stores - Supplies and Equipment

Debit: Account 680 - Value of Property Returned to Stock  
Credit: Account 371 - Reserve for Property In Use -  
Headquarters

- c. Issues of excess nonexpendable materiel from headquarters without charge to cost:

Transaction Analysis Code 6N - (Action Form 88)

Debit: Account 171 - Property In Use - Headquarters  
Credit: Account 170 - Stores - Supplies and Equipment

Debit: Account 678 - Cost of Issues of Property Declared Excess  
Credit: Account 371 - Reserve for Property In Use -  
Headquarters

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- d. Issues of direct procurement of nonexpendable materiel from headquarters with charge to cost:

Transaction Analysis Code 7I - (Action Form 88)

Debit: Account 170 - Stores - Supplies and Equipment  
 Credit: Account 607 - Property Purchased - Acquisitions

Debit: Account 171 - Property In Use - Headquarters  
 Credit: Account 170 - Stores - Supplies and Equipment

Debit: Account 602.3 - Indirect Costs - Property Placed In Use  
 Credit: Account 371 - Reserve for Property In Use -  
 Headquarters

- e. Returns to headquarters stock of nonexpendable materiel:

Transaction Analysis Code 2D - (Action Form 1330)

Debit: Account 170 - Stores - Supplies and Equipment  
 Credit: Account 171 - Property In Use - Headquarters

Debit: Account 371 - Reserve for Property In Use - Headquarters  
 Credit: Account 680 - Value of Property Returned to Stock

- f. Transfers of nonexpendable materiel from a Type I installations to such MR accounts with charges to cost (recorded as transfers to headquarters and issues from headquarters to such MR accounts):

- (1) Based on Form 1221a of shipping Type I installation, the Accounts Division will:

Debit: Account 175.1 - Nonexpendable Materiel in Transit from Type  
 I Installations to Type III Installations  
 (Headquarters)  
 Credit: Account 195 - Accountability of Decentralized  
 Installations

- (2) Transaction Analysis Code 2L - (Action Form - Shipping Document Forwarded to Office of Logistics by Accounts Division):

Debit: Account 170 - Stores - Supplies and Equipment  
 Credit: Account 175.1 - Nonexpendable Materiel in Transit  
 from Type I Installations to Type  
 III Installations (Headquarters)

- (3) Transaction Analysis Code 6K - (Action Form - Shipping Document Forwarded to Office of Logistics by Accounts Division):

Debit: Account 171 - Property In Use - Headquarters  
 Credit: Account 170 - Stores - Supplies and Equipment

Debit: Account 602.3 - Indirect Costs - Property Placed In Use  
 Credit: Account 371 - Reserve for Property In Use -  
 Headquarters

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- g. Transfers of nonexpendable materiel from a Type II installation to such MR accounts with charges to cost (recorded as transfers from Type II installations to headquarters and issues to such MR accounts):

(1) Transaction Analysis Code 2I - (Action Form 1330)

Debit: Account 170 - Stores - Supplies and Equipment  
Credit: Account 176 - Property In Use - Type II Installations

Debit: Account 376 - Reserve for Property In Use - Type II  
Installations  
Credit: Account 680 - Value of Property Returned to Stock

(2) Transaction Analysis Code 6K - (Action Form 1330)

Debit: Account 171 - Property In Use - Headquarters  
Credit: Account 170 - Stores - Supplies and Equipment

Debit: Account 602.3 - Indirect Costs - Property Placed In Use  
Credit: Account 371 - Reserve for Property In Use -  
Headquarters

- h. Transfers of nonexpendable materiel from such MR accounts to Type I or Type II installations (recorded as returns of property to headquarters and transfers to Type I or Type II installations):

(1) Transaction Analysis Code 2D - (Action Form 1330)

Debit: Account 170 - Stores - Supplies and Equipment  
Credit: Account 171 - Property In Use - Headquarters

Debit: Account 371 - Reserve for Property In Use - Headquarters  
Credit: Account 680 - Value of Property Returned to Stock

(2) Transaction Analysis Code 6L - (Action Form - Shipping Document)

Debit: Account 175.9 - Materiel Earmarked for Shipment  
Credit: Account 170 - Stores - Supplies and Equipment

- i. Procurement of nonexpendable materiel:

- (1) Nonexpendable materiel procured locally by such MR accounts shall be recorded by the responsible certifying officer from the financial accountings submitted, or by the Accounts Division from WSHADSET accountings supported by Schedule L, as follows:

Debit: Account 176.9 - Property Purchased for Cash  
Credit: Account 140 - Advances to Stations - Acknowledged or  
other appropriate account

Debit: Account 170.9 - Nonexpendable Property Procured by Type III  
Installations Pending Recordation by Office  
of Logistics (Headquarters)  
Credit: Account 176.9 - Property Purchased for Cash

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- 25X1A (2) The responsible certifying officer, or the Accounts Division concerning [REDACTED] Type III station accountings, will prepare and forward to the Office of Logistics a Form 595a, Receiving Report, listing thereon all nonexpendable materiel procured locally as shown by the accountings of such MR accounts as follows: Enter the Financial Analysis number in the block titled "Charge Cost Center No."; in the block titled "Delivery To" enter the name and number, if applicable, of the procuring location; enter the appropriate information in the columns titled "Description", "Qty Accepted", "Unit Price", and "Total Price"; and sign the overprinted certification. The Division preparing the Form 595a will assign a sequential control number to each such form for control purposes in the block titled "Delivery To" and will prepare a covering transmittal memorandum forwarding the Forms 595a to the Office of Logistics. The Form 595a will be prepared in original and three copies; one copy will be included as an attachment to the Posting Voucher recording the financial accountability. The original and one copy will be forwarded to Logistics and one copy retained in the files of the originating Division. Upon receipt of Form 595a, the Office of Logistics will process the documentation as follows:

Transaction Analysis Code 7J - (Action Form 595a)

Debit: Account 170 - Stores - Supplies and Equipment  
 Credit: Account 170.9 - Nonexpendable Property Purchased by  
 Type III Installations Pending  
 Recordation by Office of Logistics  
 (Headquarters)

Debit or

Credit: Account 661 - Inventory Acquisition Cost  
 Differences

Debit: Account 171 - Property In Use - Headquarters  
 Credit: Account 170 - Stores - Supplies and Equipment

Debit: Account 602.3 - Indirect Costs - Property Placed In Use  
 Credit: Account 371 - Reserve for Property In Use -  
 Headquarters

NOTE: It will be the responsibility of the Office of Logistics to service account 170.9 to assure that all items reported as procurement by such MR accounts are recorded promptly in the proper property asset account.

2. Expendable Materiel Transactions

- a. Issues of expendable materiel from headquarters regular stock with charge to cost:

Transaction Analysis Codes 5B or 6B - (Action Form 88)

Debit: Account 602.2 - Indirect Costs - Property Issues  
 Credit: Account 170 - Stores - Supplies and Equipment  
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- b. Issues of excess expendable materiel from headquarters without charge to cost:

Transaction Analysis Code 6M - (Action Form 88)

Debit: Account 678 - Cost of Issues of Property Declared Excess  
Credit: Account 170 - Stores - Supplies and Equipment

- c. Issues of direct procurement of expendable materiel from headquarters with charge to cost:

Transaction Analysis Code 7E - (Action Form 88)

Debit: Account 170 - Stores - Supplies and Equipment  
Credit: Account 607 - Property Purchased - Acquisitions

Debit: Account 602.2 - Indirect Costs - Property Issues  
Credit: Account 170 - Stores - Supplies and Equipment

- d. Returns to headquarters stock of expendable materiel:

Transaction Analysis Code 2F - (Action Form 1330)

Debit: Account 170 - Stores - Supplies and Equipment  
Credit: Account 680 - Value of Property Returned to Stock

- e. Procurement of expendable materiel:

Expendable materiel procured locally by such MR accounts shall be recorded by the responsible Certifying Officer from the financial accountings, or by the Accounts Division from the [REDACTED] financial accountings, as follows:

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Debit: Account 176.9 - Property Purchased for Cash  
Credit: Account 140 - Advances to Stations Acknowledged or  
other appropriate account  
and  
Debit: Account 602.2 - Indirect Costs - Property Issues  
Credit: Account 176.9 - Property Purchased for Cash